



# TEXAS HOUSE *of* REPRESENTATIVES

*James White*

*House District 19  
Jasper, Newton, Hardin, Polk, Tyler*

CORRECTIONS  
CHAIR

REDISTRICTING

JUDICIARY &  
CIVIL JURISPRUDENCE

## **FOR IMMEDIATE RELEASE**

Tuesday, February 5, 2019

**Contact:** Saul Mendoza  
(512) 463-0490

## **Governor, Lt. Governor, & Speaker of the House Unveil Property Tax Reform Legislation** - Weekly Legislative Update 2/1/19 -

(Austin, TX) - On Thursday, January 31st, 2019, the Texas House filed House Bill 2, which is the first step in the legislative process to accomplish meaningful reform of the property tax system in Texas. During a historic press conference, Governor Greg Abbott, Lieutenant Governor Dan Patrick, House Speaker Dennis Bonnen, Senate Property Tax Committee Chair Paul Bettencourt, and House Ways & Means Chair Dustin Burrows agreed that property tax reform is a top priority for the state.

The State Legislature is responsible for governing the property tax system and ensuring the system is accountable, fair, and transparent across the 254 counties, over 1,000 cities, 1,018 independent school districts, and more than 1,800 special districts in the state. These local entities implement the state property tax code, set property tax rates, collect property tax revenue, and budget and spend property tax revenues.

More specifically, the Legislature determines the method for how county appraisal districts appraise property and establish property values. A property owner's tax bill is the product of two numbers:

$$(\text{Taxable Property Value}/100) \times \text{Property Tax Rate} = \text{Property Tax Due}$$

HB 2 contains the same identical language as that of Senate Bill 2. They both contain key provisions that will increase transparency in the calculations of property tax rates, make the appraisal review board process more efficient for taxpayers, and provide a platform for citizens to voice their position on significant property tax rate increases.

### ***Transparency***

- The current notification requirements for property tax rates are complex and difficult for the lay person to understand.
- HB 2 modifies the process by which taxing jurisdictions set property tax rates by strengthening the notification provisions prior to jurisdictions adopting rates, and by making the changes easier to comprehend.



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## ***Reforming the Appraisal Review Board Process***

- Taxpayers protest their property tax values to the Appraisal Review Boards, which frequently are the last stop in the protest process.
- House Bill 2 seeks to make these hearings more taxpayer friendly by modifying how the notices of hearings are given, and changing the times in which taxpayers may appear before the board, among other modifications.

## ***Rollback Rates***

- The "no-new-revenue tax rate" as set forth in HB 2 (currently the "effective tax rate") is the property tax rate in the current year that would raise the same revenue for the taxing jurisdiction as the previous year on property that is taxable in both the current tax year and the preceding tax year, given the current year's property values. The rollback rate is the amount of increase above the no-new-revenue tax rate a jurisdiction may increase property tax rates without a vote to limit the property tax rate growth.
- HB 2 as filed changes the rollback rate to 2.5% from 8% for all taxing districts with more than \$15 million in combined property and sales tax revenue. Additionally, local taxing entities under a presidential disaster declaration may direct a designated officer or employee to calculate the rollback tax rate of the taxing unit in the manner provided for a small taxing unit.

## ***Voter Engagement***

- Under current law, if a property tax jurisdiction sets the current year's property tax rate higher than the rollback rate, voters may petition the jurisdiction to hold a rollback election to cap the tax rate increase at the rollback rate.
- As filed, HB 2 would change this election to a ratification election, giving voters the power automatically to vote on a property tax rate increase that exceeds the rollback rate.

As the legislation continues to move through both the Senate and House chambers, my colleagues and I, along with our constituents, will continue this discussion and ultimately craft commonsense reform.

During the week, I also had the opportunity to meet with school superintendents from House District 19, who are community education leaders in Education Service Center Regions 5 and 6. Without ambiguity, I told our superintendents that the Legislature and the Governor are committed to reforming our archaic and dysfunctional school finance system and boosting school



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funding in order to increase teacher pay. Additionally, members from the Texas Retired Teachers Association came to my office to discuss strengthening the Texas Teacher Retirement Pension and health insurance (TRS-Care). I told them that I am committed to protecting the integrity of their pension system by raising the base contribution that the state pays to 8 percent and creating an opportunity for the TRS Board to provide a deserved cost-of-living increase. Moreover, I support providing relief to our great Texas retired teachers facing escalating health insurance premiums.

Polk County Judge Sydney Murphy visited Austin to advocate for rural East Texas bridges and roads. She and I also discussed the adverse impact of federal and state unfunded mandates on Texas taxpayers. I truly enjoy working with Judge Murphy. She truly loves the people of Polk County. I will continue to stand with her and her commissioners' court against unfunded mandates.

The Red Knights International Firefighters Club also visited my office during their legislative day. It was a pleasure to meet with David Die, Joe Stewart, Dugan Stanley, and Butch Chapman who all rode from Southeast Texas to be here. Stanley Tate, also with the Red Knights, stopped by my office and spoke with my staff before heading back home to Silsbee, TX.

Keith Zotzky is one of our great Southeast Texas civil engineers that resides in Lumberton. He came to Austin with the Texas Professional Engineers Association. It was a pleasure to meet with him and his colleague from Lufkin regarding the legislation that will be impacting their profession during the legislative session. I look forward to working with Keith and other civil engineers in the rebuilding and restoration of Harvey impacted Southeast Texas.

I also had the honor to meet with Jodie Goff and other Texas Farm Bureau members from Southeast Texas. Sheri DelMage along with the Texas State CPA's brought a group from Beaumont to visit with me as well. I truly enjoyed meeting with both of these groups about the impact that legislation in the Capitol has on them, specially back home in the district.

The Capitol of Texas belongs to you and visiting the Capitol during the biennial legislative session is a great experience. To assist in arranging your visit please call Saul Mendoza, my Chief of Staff, at (512) 463-0490. Or, you can email him at [saul.mendoza@house.texas.gov](mailto:saul.mendoza@house.texas.gov).

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